



DEPARTMENT OF COMMERCE

International Trade Administration

[C-533-870]

Certain New Pneumatic Off-The-Road Tires from India: Preliminary Results of Countervailing Duty Administrative Review; 2021

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that countervailable subsidies were provided to producers and/or exporters of certain new pneumatic off-the-road tires (OTR tires) from India, during the period of review (POR) January 1, 2021, through December 31, 2021. Interested parties are invited to comment on these preliminary results.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Mark Hoadley, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3148.

SUPPLEMENTARY INFORMATION:

Background

On May 9, 2022, Commerce initiated this administrative review of the countervailing duty order on OTR tires from India.¹ The mandatory company respondents are ATC Tires Private Limited (ATC) and Balkrishna Industries Ltd. (BKT). On November 21, 2022, Commerce extended the time limit for these preliminary results to March 31, 2023.²

¹ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 87 FR 29280 (May 13, 2022).

² See Memorandum, “Extension of Deadline for Preliminary Results of Review,” dated November 21, 2022.

For a complete description of the events that followed the initiation of the review, *see* the Preliminary Decision Memorandum.³ A list of topics discussed in the Preliminary Decision Memorandum is included as Appendix I to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Scope of the Order

The merchandise covered by the order is OTR tires. OTR tires are tires with an off road tire size designation. The tires included in the scope may be either tube-type or tubeless, radial, or non-radial, regardless of whether for original equipment manufacturers or the replacement market. For a complete description of the scope of this order, *see* the Preliminary Decision Memorandum.

Methodology

Commerce is conducting this administrative review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs preliminarily found to be countervailable, Commerce preliminarily determines that there is a subsidy, *i.e.*, a financial contribution from an authority that gives rise to a benefit to the recipient and that the subsidy is specific.⁴ For a full description of the methodology underlying Commerce's preliminary conclusions, *see* the Preliminary Decision Memorandum.

Companies Not Selected for Individual Examination

³ *See* Memorandum, "Decision Memorandum for the Preliminary Results of the Countervailing Duty Administrative Review, Off-the-Road Tires from India; 2021," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁴ *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

The Act and Commerce’s regulations do not directly address the subsidy rate to be applied to companies not selected for individual examination where Commerce limits its examination in an administrative review pursuant to section 777A(e)(2) of the Act. However, Commerce normally determines the rates for non-selected companies in reviews in a manner that is consistent with section 705(c)(5) of the Act, which provides instructions for calculating the all-others rate in an investigation. Section 777A(e)(2) of the Act provides that “the individual countervailable subsidy rates determined under subparagraph (A) shall be used to determine the all-others rate under section 705(c)(5) {of the Act}.” Section 705(c)(5)(A) of the Act states that for companies not investigated, in general, we will determine an all-others rate by weight averaging the countervailable subsidy rates established for each of the companies individually investigated, excluding zero and de minimis rates or any rates based solely on the facts available.

Accordingly, to determine the rate for companies not selected for individual examination, Commerce’s practice is to weight average the net subsidy rates for the selected mandatory respondents, excluding rates that are zero, *de minimis*, or based entirely on facts available.⁵ We preliminarily determine that ATC and BKT received countervailable subsidies that are above *de minimis* and are not based entirely on facts available. Therefore, we preliminarily determine to apply the weighted average of the net subsidy rates calculated for ATC and BKT using publicly ranged sales data submitted by those respondents to the non-selected companies.⁶ The companies for which a review was requested, and which were not selected as mandatory respondents or found to be cross-owned with a mandatory respondent, are listed in Appendix II.

Preliminary Results of Review

Commerce preliminarily determines the net countervailable subsidy rates exist for the period January 1, 2021, through December 31, 2021:

	Subsidy Rate
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⁵ See, e.g., *Certain Pasta from Italy: Final Results of the 13th (2008) Countervailing Duty Administrative Review*, 75 FR 37386, 37387 (June 29, 2010).

⁶ See Memorandum, “Calculation of Subsidy Rate for Non-Selected Companies Under Review,” dated concurrently with this memorandum.

Company	(percent <i>ad valorem</i>)
ATC Tires Private Limited ⁷	1.57
Balkrishna Industries Ltd.	1.00
Companies Not Selected for Individual Review	1.29

Assessment Rates

In accordance with 19 CFR 351.221(b)(4)(i), Commerce preliminarily assigned a subsidy rate in the amount for the producer/exporter shown above. Upon completion of the administrative review, consistent with section 751(a)(1) of the Act and 19 CFR 351.212(b)(2), Commerce shall determine, and U.S. Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries covered by this review. Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the *Federal Register*. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

Cash Deposit Rates

Pursuant to section 751(a)(1) of the Act, Commerce intends to instruct CBP to collect cash deposits in the amounts indicated for the producer/exporter listed above with regard to shipments of subject merchandise entered or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review. For all non-reviewed firms, CBP will continue to collect cash deposits of estimated countervailable duties at the all-others rate or the most recent company-specific rate applicable to the company, as appropriate. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Disclosure

⁷ This rate applies to ATC and ATC Tires AP Private Ltd.

Commerce intends to disclose its calculations and analysis performed in reaching the preliminary results within five days of publication of these preliminary results, in accordance with 19 CFR 351.224(b).

Public Comment

Case briefs or other written documents may be submitted to the Assistant Secretary for Enforcement and Compliance.⁸ A timeline for the submission of case and rebuttal briefs and written comments will be provided to interested parties at a later date.

Pursuant to 19 CFR 351.301(c) and (d)(2), parties who wish to submit case or rebuttal briefs in this review are requested to submit for each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities. All briefs must be filed electronically using ACCESS. Note that Commerce has modified certain of its requirements for serving documents containing business proprietary information, until further notice.⁹

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must do so within 30 days after the date of publication of this notice by submitting a written request to the Assistant Secretary for Enforcement and Compliance.¹⁰ Requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants and whether a participant is a foreign national; and (3) a list of the issues to be discussed. If a hearing request is made, Commerce intends to hold the hearing at a time and date to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

Unless the deadline is extended, Commerce intends to issue the final results of this administrative review, which will include the results of Commerce's analysis of the issues raised

⁸ See 19 CFR 351.309(c) and (d).

⁹ See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).

¹⁰ See 19 CFR 351.310(c).

in the case briefs, within 120 days after the date of the preliminary results, pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h)(1).

Notification to Interested Parties

These preliminary results are issued and published pursuant to sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.221(b)(4).

Dated: March 30, 2023.

Abdelali Elouaradia,
Deputy Assistant Secretary for Enforcement and Compliance.

Appendix I

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Period of Review
- IV. Scope of the *Order*
- V. Rate for Non-Examined Companies
- VI. Subsidies Valuation
- VII. Interest Rate Benchmarks, Discount Rates, and Benchmarks for Measuring the Adequacy of Remuneration
- VIII. Analysis of Programs
- IX. Recommendation

Appendix II

List of Companies Not Selected for Individual Review

Apollo Tyres Ltd.
Asian Tire Factory Ltd.
Cavendish Industries Ltd.
CEAT Ltd.
Celite Tyre Corporation
Emerald Resilient Tyre Manufacturer
HRI Tires India
Innovative Tyres & Tubes Limited
JK Tyres and Industries Ltd.
K.R.M. Tyres
M/S. Caroline Furnishers Pvt Ltd.
MRF Limited
MRL Tyres Limited (Malhotra Rubbers Ltd.)
OTR Laminated Tyres (I) Pvt. Ltd.
Rubberman Enterprises Pvt. Ltd.
Sheetla Polymers
Speedways Rubber Company
Sun Tyres & Wheel Systems
Sundaram Industries Private Limited
Superking Manufacturers (Tyre) Pvt., Ltd.
TVS Srichakra Limited

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